

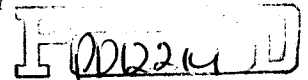


RECEIVED  
2014-11-25 10:07  
PUBLIC SERVICE  
COMMISSION

Laura Bateman  
Carolinas Rates & Regulatory Strategy  
410 S. Wilmington Street  
Raleigh, NC 27601  
919.546.3324  
[Laura.Bateman@duke-energy.com](mailto:Laura.Bateman@duke-energy.com)

253704

SA



November 25, 2014

Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, SC 29211

Dear Mrs. Boyd:

Enclosed per Docket No. 2006-268-E is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending September 30, 2014. Debt coverage ratio of earnings to Fixed Charges was 4.81 for this time period.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman  
Carolinas Rates & Regulatory Strategy  
Duke Energy

Enclosures

pc: Mr. Dukes Scott, Executive Director  
Office of Regulatory Staff

Mr. John Flitter, Director  
Electric & Gas Regulation  
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy  
Signature of President

Clark S. Gillespy  
Typed or Printed Name of Person Signing

State President, Duke Energy South Carolina  
Title

NOVEMBER 18, 2014  
Date Signed

Subscribed and sworn to before me this 18 day of November, 2014.

Beth C. O'Shields  
Notary Public

My Commission Expires: 4-16-2024

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

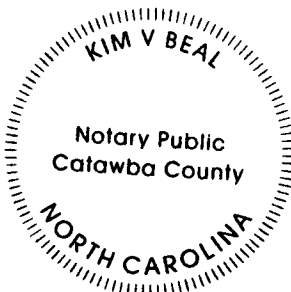
Director Regulated Accounting  
Title

November 18, 2014  
Date Signed

Subscribed and sworn to before me this 18 day of November, 2014.

Kim V. Beal  
Notary Public

My Commission Expires: October 24, 2019





Duke Energy Carolinas, LLC  
Electric Accounting & Pro Forma Adjustments  
Total Company  
12 Months Ended September 30, 2014

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.383932	Investment Tax Credit	Plant In Service	Accum. Deprec.	CWIP	ADIT	Other Rate Base	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 14,124	\$ -	\$ -	\$ (5,423)	\$ -	\$ -	\$ (14,124)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	22,056	-	2,661	-	(9,489)	-	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	(1,898)	-	-	-	729	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	2,051	-	(787)	-	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	-	-	-	28,198	5,478	-	(12,929)	-	1,058,069	(28,198)	-	(64,754)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(13,195)	-	-	-	-	-	-	-	-
7	To Annualize Amortization of Buck and Bridgewater	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	To eliminate unbilled revenues	9,847	-	-	-	-	-	3,781	-	-	-	-	-	-	-	(10)
9	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-	856,688	-	-	-	-
10	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	1,810	-
12	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	To Annualize Rate Case Increase and COR Reversal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	To Annualize Amortization of Rate Case Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	To Annualize Amortization of Return of EDP Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	To Annualize Amortization of Clemson Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	To Annualize Amortization of Deferred Costs Related to Cliffs, Dan River, McGuire and Oconee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	To Annualize Amortization of Regulatory Assets Related to Buck Retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	To Annualize Amortization of Deferred Costs Related to Fukushima and Cyber Security	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	To Normalize Nuclear Refueling Outage Costs	-	-	83,359	-	-	-	(32,004)	-	-	-	-	-	-	-	-
21	To Adjust for Nuclear Decommissioning Expense	-	-	-	(1,369)	-	-	526	-	-	-	-	-	-	-	-
22	To Annualize Other Revenues for Connection Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	To remove SC Load Retention Rider revenues	513	-	-	-	-	-	196	-	-	-	-	-	-	-	-
24	To remove DSMEE program revenues and program costs	(163,892)	-	(89,036)	-	-	-	(28,740)	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ (153,531)	\$ -	\$ 14,481	\$ 40,953	\$ 10,190	\$ -	\$ (97,335)	\$ -	\$ 1,058,069	\$ (42,322)	\$ 856,688	\$ (64,754)	\$ -	\$ 1,810	\$ (10)

Duke Energy Carolinas, LLC  
Electric Accounting & Pro Forma Adjustments  
SC Retail Electric  
12 Months Ended September 30, 2014

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.3925 38.25%	Investment Tax Credit	Plant in Service	Accum. Deprec.	CWIP	ADIT	Deferred Debit/Credit	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 3,199	\$ -	\$ -	\$ (1,224)	\$ -	\$ -	\$ (3,199)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	5,149	-	621	-	(2,207)	-	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	(443)	-	-	-	169	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	620	-	(237)	-	-	-	-	-	-	-	-
5	To Reflect CWIP Clearings to Plant	-	-	-	6,408	1,238	-	(2,924)	-	239,218	(6,406)	-	(14,640)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(3,124)	-	-	-	-	-	-	-	-
7	To Annualize Amortization of Buck and Bridgewater	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	To eliminate unbilled revenues	(3,222)	-	-	-	-	-	(1,232)	-	-	-	-	-	-	-	-
9	Adjust coal inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)
10	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-	-	-	191,393	-	-	-	-
11	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(196)	-
12	To Exclude Greenwood Operations	(833)	(952)	(1,695)	(720)	(249)	-	1,064	4	(26,519)	10,776	0	2,468	0	-	-
13	To Annualize Rate Case Increase and COR Reversal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	To Annualize Amortization of Rate Case Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	To Annualize Amortization of Return of EDP Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	To Annualize Amortization of Clemson Development Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	To Annualize Amortization of Deferred Costs Related to Cliffside, Dan River, McGuire and Oconee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	To Annualize Amortization of Regulatory Assets Related to Buck Retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	To Annualize Amortization of Deferred Costs Related to Fukushima and Cyber Security	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	To Normalize Nuclear Refueling Outage Costs	-	-	19,261	-	-	-	(7,367)	-	-	-	-	-	-	-	-
21	To Adjust for Nuclear Decommissioning Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	To Annualize Other Revenues for Connection Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	To remove DSM&E program revenues and program costs	(39,775)	-	(23,837)	-	-	-	(6,096)	-	-	-	-	-	-	-	-
24	To remove SC Load Retention Rider revenues	513	-	-	-	-	-	196	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		<u>\$ (43,317)</u>	<u>\$ (952)</u>	<u>\$ (1,695)</u>	<u>\$ 8,885</u>	<u>\$ 2,230</u>	<u>\$ -</u>	<u>\$ (22,982)</u>	<u>\$ 4</u>	<u>\$ 212,099</u>	<u>\$ 1,171</u>	<u>\$ 191,393</u>	<u>\$ (12,172)</u>	<u>\$ -</u>	<u>\$ (196)</u>	<u>\$ (3)</u>

Duke Energy Carolinas, LLC  
Statement of Fixed Assets - Electric  
12 Months Ended September 30, 2014

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Intangible Plant	\$ 511,925	\$ 9,157	\$ 521,082	\$ 118,072	\$ 2,112	\$ 120,184
2	Production	18,529,331	835,040	19,364,371	4,015,875	192,947	4,208,822
3	Transmission	3,161,184	132,678	3,293,862	561,945	23,579	585,524
4	Distribution	9,789,667	88,474	9,878,141	2,465,900	22,286	2,488,186
5	General	825,476	(7,280)	818,196	193,404	(1,706)	191,698
6	Common	-	-	-	-	-	-
	Subtotal	32,817,583	1,058,069	33,875,652	7,355,196	239,218	7,594,414
7	Plant Held for Future Use	14,042	-	14,042	3,457	-	3,457
8	Greenwood	-	-	-	-	(26,519)	(26,519)
9	<b>Total Gross Plant in Service</b>	<b>\$ 32,831,625</b>	<b>\$ 1,058,069</b>	<b>\$ 33,889,694</b>	<b>\$ 7,358,653</b>	<b>\$ 212,699</b>	<b>\$ 7,571,352</b>
<b>Construction Work in Progress</b>		-					
10	Production	\$ 494,490	\$ 540,423	\$ 1,034,913	\$ 117,681	\$ 121,449	\$ 239,130
11	Transmission	24,117	70,041	94,158	4,369	12,364	16,733
12	Distribution	13,215	74,923	88,138	3,332	18,869	22,201
13	General	8,977	45,478	54,455	2,126	10,632	12,758
14	Intangible	152,551	125,823	278,374	36,127	28,078	64,205
14	<b>Total Construction Work in Progress</b>	<b>\$ 693,350</b>	<b>\$ 856,688</b>	<b>\$ 1,550,038</b>	<b>\$ 163,635</b>	<b>\$ 191,393</b>	<b>\$ 355,028</b>

Duke Energy Carolinas, LLC  
Reserve for Depreciation - Electric  
12 Months Ended September 30, 2014

Line No.	<u>Description</u>	<b>Total Company</b>			<b>SC Retail</b>		
		<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>	<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Intangible Plant	\$ (412,143)	\$ (262)	\$ (412,405)	\$ (95,983)	\$ (60)	\$ (96,043)
2	Production	(7,121,192)	(29,345)	(7,150,537)	(1,397,228)	(6,780)	(1,404,008)
3	Transmission	(1,305,402)	(4,764)	(1,310,166)	(232,439)	(846)	(233,285)
4	Distribution	(4,158,268)	(5,665)	(4,163,933)	(1,078,687)	(1,384)	(1,080,071)
5	General	(288,779)	(2,285)	(291,064)	(82,515)	(535)	(83,050)
6	Common	-	-	-	-	-	-
7	Greenwood	-	-	-	-	10,776	10,776
8	<b>Total Reserve for Depreciation</b>	<b>\$ (13,285,783)</b>	<b>\$ (42,322)</b>	<b>\$ (13,328,105)</b>	<b>\$ (2,886,852)</b>	<b>\$ 1,171</b>	<b>\$ (2,885,681)</b>



Duke Energy Carolinas, LLC  
Other Rate Base - Electric  
12 Months Ended September 30, 2014

Line No.	<u>Description</u>	<u>Total Company</u>			<u>SC Retail</u>		
		<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>	<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>
1	Bond Reacquisition Premiums	90,446	-	90,446	13,092	-	13,092
2	Pension Funding	638,407	-	638,407	149,039	-	149,039
3	Operating Reserves	(256,539)	-	(256,539)	(90,728)	-	(90,728)
4							
5							
6							
7	<b>Total Other Rate Base</b>	472,314	-	472,314	71,403	-	71,403

Duke Energy Carolinas, LLC  
Total Working Capital - Electric  
12 Months Ended September 30, 2014

Line No.	<u>Description</u>	<u>Total Company</u>			<u>SC Retail</u>		
		<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>	<u>Per Books</u>	<u>Adjustments</u>	<u>As Adjusted</u>
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Twelve Month O&M Expenses	<u>\$ 3,452,859</u>	<u>\$ 14,481</u>	<u>\$ 3,467,340</u>	<u>\$ 816,097</u>	<u>\$ (1,565)</u>	<u>\$ 814,531</u>
2	Working Cash (1/8 of O&M Expenses on Line 1)	\$ 431,607	1,810	\$ 433,417	\$ 102,012	\$ (196)	\$ 101,816
3	Less: Average Tax Accruals	(186,479)	-	(186,479)	(54,244)	-	(54,244)
4	Subtotal: Investor Funds for Operations	<u>245,128</u>	<u>1,810</u>	<u>246,938</u>	<u>47,768</u>	<u>(196)</u>	<u>47,572</u>
5	Required Bank Balance	340	-	340	77	-	77
6	Prepayments	18,896	-	18,896	4,464	-	4,464
7	Less: Customer Deposits	(128,676)	-	(128,676)	(29,764)	-	(29,764)
8	Less: Nuclear Refueling			-			-
9	Subtotal: Other Investor Funds	<u>(109,440)</u>	<u>-</u>	<u>(109,440)</u>	<u>(25,223)</u>	<u>-</u>	<u>(25,223)</u>
10	<b>Total Working Capital</b>	<u><b>\$ 135,688</b></u>	<u><b>\$ 1,810</b></u>	<u><b>\$ 137,498</b></u>	<u><b>\$ 22,545</b></u>	<u><b>\$ (196)</b></u>	<u><b>\$ 22,349</b></u>

Duke Energy Carolinas, LLC  
Materials & Supplies - Electric  
12 Months Ended September 30, 2014

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
	<b>Fuel Stock</b>						
1	Fossil	306,097	(10)	306,087	77,228	(3)	77,225
2	Nuclear	595,670		595,670	150,287		150,287
3	Total Fuel Stock	901,767	(10)	901,757	227,515	(3)	227,513
4	Emission Allowances	22,620	-	22,620	5,135	-	5,135
5	Other Electric Materials and Supplies	667,031	-	667,031	151,411	-	151,411
6	<b>Total Materials &amp; Supplies</b>	<b>\$ 1,591,418</b>	<b>\$ (10)</b>	<b>\$ 1,591,407</b>	<b>\$ 384,061</b>	<b>\$ (3)</b>	<b>\$ 384,058</b>

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Total Company

SC Retail

Coal Inventory Target Level (in tons)  
Price per Ton - Coal

2,675  
\$97.50

Total Company Pro Forma Inventory

\$ 260,813

\$ 65,803

Per Book Coal Inventory

260,823

65,806

Coal Adjustment

\$ (10)

\$ (3)

Duke Energy Carolinas, LLC  
Cost of Capital - Electric Operations  
12 Months Ended September 30, 2014

Total Company													
		Per Books					As Adjusted						
Line No.	Description	Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/Return (Col. 4)	Weighted Cost/Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/Return (Col. 10)	Weighted Cost/Return (Col. 11)	Operating Income (Col. 12)
1	Long Term Debt	\$ 8,386,878	43.43%	\$ 7,608,850	5.17%	2.25%	\$ 393,378	\$ 8,386,878	43.43%	\$ 8,394,708	5.17%	2.25%	\$ 434,006
2	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
3	Common Equity	10,922,637	56.57%	9,910,952	10.18%	5.76%	1,008,600	10,922,637	56.57%	10,934,575	7.75%	4.38%	847,571
4	Total	\$ 19,309,515	100.00%	\$ 17,519,802			\$ 1,401,978	\$ 19,309,515	100.00%	\$ 19,329,283			\$ 1,281,577

SC Retail													
		Per Books					As Adjusted						
Line No.	Description	Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/Return (Col. 4)	Weighted Cost/Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/Return (Col. 10)	Weighted Cost/Return (Col. 11)	Operating Income (Col. 12)
5	Long Term Debt	\$ 8,386,878	43.43%	\$ 1,748,564	5.17%	2.25%	\$ 90,401	\$ 8,386,878	43.43%	\$ 1,919,197	5.17%	2.25%	\$ 99,222
6	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	-
7	Common Equity	10,922,637	56.57%	2,277,602	11.59%	6.56%	264,065	10,922,637	56.57%	2,499,862	9.11%	5.15%	227,727
8	Total	\$ 19,309,515	100.00%	\$ 4,026,166			\$ 354,466	\$ 19,309,515	100.00%	\$ 4,419,059			\$ 326,949

Notes: (a) Long term debt includes Mortgage and Pollution Control Bonds, Senior Debt, Capital Leases and Unamortized Debt expense, discounts and premiums

(b) Includes net of tax Progress merger costs to achieve of approximately \$14 million.